

The Federal Broadband Grant Application Process
A Summary of Comments from the Department of Public Instruction
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Background:

The American Recovery and Reinvestment Act (ARRA) includes \$7.2 billion in grants and loans to help fund broadband access as well as the building of infrastructure to promote broadband services. The broadband funding is being administered by two federal agencies. (1) The Commerce Department's National Telecommunications and Information Administration (NTIA) received \$4.7 billion to administer the Broadband Technology Opportunities Program—BTOP. (2) The Agriculture Department's Rural Utilities Service (RUS) received \$2.5 billion to administer the Broadband Initiatives Program—BIP.

On July 1 these two agencies released a Notice of Funds Availability (NOFA) that articulated the broadband grant criteria and application process for the first round of grants, which were due August 14. There were 2,200 applications submitted nationwide in round 1 and some grant awards will likely be announced in December. In the first round the State of Wisconsin Department of Administration (DOA) filed a BTOP application to bring fiber connectivity to all school districts and public libraries that are on the state's BadgerNet network. DPI staff assisted DOA in writing the grant. A final round 2 grant application process will open in early 2010.

DPI Comments for the Round 2 Grant Application Process

The July 1 NOFA was criticized by some representatives of community anchor institutions (CAI).¹ The criticism focused on the complex application process and a process that appeared to favor applications submitted by telecommunication providers. On November 16 the NTIA and RUS issued a public request seeking comments about changes for the final round of grants to make it easier for community anchor institutions to apply. The following are some key recommendations submitted by the DPI. These recommendations focus on the Broadband Infrastructure grant category and not the BTOP's Public Computer Centers or Sustainable Broadband Adoption categories.

- *Grant priority:* In their request for information NTIA and RUS ask if they should focus on “funding projects that will deliver middle mile infrastructure facilities into a group of communities and connect key anchor institutions within those communities?” Our answer is: *Absolutely!* Round 2 should give high priority to ensuring sufficient high-speed broadband to community anchor institutions. While high-speed broadband to anchor institutions has value in and of itself, connecting these institutions can help provide more robust broadband throughout the community. The same infrastructure that is built to serve CAI can be used to help bring broadband to residential and business customers too.
- *Grant priority:* Another grant priority should be given for broadband investments that will yield long-term benefits. With very few exceptions this means fiber connectivity should be given a priority when connecting community anchor institutions.

¹ Community anchor institutions are public sector agencies or not-for-profit organizations that serve the community in some fashion. For DPI, key community anchor institutions are our public schools and public libraries.

- *Grant application:* Applications to bring sufficient broadband to anchor institutions should have a category titled “Connectivity to Anchor Institutions.” In round 1, connectivity to anchor institutions was labeled a “Middle Mile” category, which was confusing. Community anchor institutions need robust broadband to the building (the last mile). If any middle mile infrastructure enhancements are needed to support the last mile, the details on these enhancements can be explained in the application. Also, with a separate category the application itself can be streamlined to omit irrelevant questions, some of which are referenced below.
- *Grant application:* The 55 question grant application was cumbersome, time-consuming and somewhat confusing.² Some questions, such as asking the number of households in a service area (Q14), were not relevant to CAI. Also, requiring CAI to identify all of the census blocks covered by a “middle mile” span made little sense. Much of the more detailed budget and supporting documents (Q45) can be requested in the follow-up due diligence phase of an application’s review.
- *Grant application:* Some questions specified a maximum length in characters (Q2b), others stated a maximum in pages (Q8), and some questions had no maximum. Some questions did not allow sufficient space to upload the answers. For example, question 30 required detailed network diagrams, but had a four page limitation. The State of Wisconsin’s application had 48 pages of network diagrams.
- *Source of grant funding:* Applicants for community anchor institutions should not have to select whether to seek funding from BIP or BTOP (Q5, 6). After reviewing the application, RUS and NTIA staff can decide the best funding source. In addition, most CAI are not in a position to accept loans. Even when a loan may be attractive, the short time frame to address the logistics needed for a loan will likely not make this a viable option. Therefore, no grant priority should be given to CAI applications requesting a loan.
- *Terms and definitions:* Service to anchor institutions was dependent on meeting definitions of unserved and underserved (Q13, 14). Yet in round 1 these terms were defined in the context of telecommunication carriers serving household customers. CAI are not telecommunication carriers and they are not household customers. Therefore, the terms “unserved” and “underserved” should not apply to community anchor institutions.³ Furthermore, the need for applicants to determine if they were in a rural area (Q14) should not apply to anchor institutions. Our community anchor institutions need high-speed broadband regardless of their location.
- *Application coverage:* We think it appropriate to consider the geographic footprint of any application but do not see any relevance or need to consider any overlap with other service providers nor should other providers be allowed to challenge any CAI application (Q21). If a school wants fiber connectivity and there are several providers that can offer such connectivity, the school can bid out the project, assuming an existing contract is not already in-place.
- *Outreach:* We encourage NTIA/RUS to hold regional meetings as was done for round 1. In addition, we encourage the agencies to host several 1-2 hour webinars specifically targeted at particular applicants or particular types of applications.

If you have any questions on the DPI recommendations, contact Bob Bocher, DPI Division for Libraries, Technology, and Community Learning (608-266-2127; robert.bocher@dpi.wi.gov). More information is also on the DPI’s broadband site at: <http://dpi.wi.gov/pld/arrabbfunding.html>.

² Question 21 states, “For middle mile projects describe the middle mile service offering currently being advertised in the last mile service areas of the proposed middle mile project.” Not only is this confusing, it places an onerous condition on the applicant and is simply not relevant to applications from anchor institutions.

³ In comments the DPI submitted to NTIA and RUS on April 10, 2009, we stated, “A single definition of the terms ‘unserved’ or ‘underserved’ is not realistic or workable. Furthermore, the legislation referencing these terms appears targeted at the consumer market and not to schools, libraries, or higher education.”